

701—105.5(423A) Adding or absorbing tax. It is unlawful for any retailer responsible for collecting and remitting the hotel and motel tax to advertise or hold out, or state to the public or to any person, that the tax imposed will be assumed or absorbed by the retailer, or that the tax will not be considered as an element in the price to the public or the person renting a facility subject to the hotel-motel tax. When a retailer advertises in a manner so that it may be readily seen and read by the public that the price “includes tax,” the retailer may charge a lump sum for renting the facility without making a separate charge for the tax. It is the responsibility of the retailer to provide proof that the retailer has complied with the method of advertising or displaying the price.

This rule is intended to implement Iowa Code sections 423.24 and 423A.6.